



**BOARD OF EQUALIZATION  
LEGISLATIVE COMMITTEE MEETING MINUTES  
HONORABLE CAROLE MIGDEN, CHAIRWOMAN  
450 N STREET, SACRAMENTO, ROOM 121  
NOVEMBER 18, 2003 9:30 AM**

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**-----Minutes-----**

## **2004 Legislative Proposals**

### **PROPERTY TAXES**

#### **2004 Legislative Proposals**

Set forth below are suggestions for Property Taxes legislation to be sponsored by the Board in the second year of the 2003-2004 Legislative Session (see attachments). Additional suggestions will be included on the agenda for January 2004.

#### **Suggestion Number**

- 1-1**      **Amend Section 63.1 of the Property Taxes Law to provide that the existence of a stepparent will not disqualify a grandchild from receiving the grandparent-grandchild change in ownership exclusion when the stepparent is still considered to be a “child” (as a son-in-law or daughter-in-law) of the grandparent for purposes of the parent-child change in ownership exclusion.**

Source: Taxpayers' Bill of Rights Annual Report and Hearing

Revenue Impact: Minor, less than \$50,000 annual revenue loss.

**Recommendation: Put over to January**

- 1-2**      **Amend Section 63.1 of Property Taxes Law to extend the filing time to claim a parent-child exclusion, from six months to one year after the date of mailing a notice of supplemental or escape assessment.**

Source: Taxpayers' Bill of Rights Annual Report and Hearing

Revenue Impact: Minor, less than \$50,000 annual revenue loss.

**Recommendation: Put over to January**

**Property Taxes** (continued)

- 1-3      Amend Section 214 of the Property Taxes Law to add limited liability companies to the list of qualifying entities for the welfare exemption.**

Source: Chief Counsel's Matters October 5, 2003

Revenue Impact: From no impact to up to \$100,000 annually if the limited liability companies do not convert to a qualifying form of ownership.

**Recommendation: Put over to January**

- 1-4      Amend Section 220.5 of the Property Taxes Law to eliminate the need to sign the annual claim form for the historical aircraft exemption before a notary public or a member of the assessor's office. (Housekeeping)**

Source: Property and Special Taxes Department

Revenue Impact: None

**Recommendation: Adopt**

- 1-5      Amend Section 24002.5 of the Government Code to clarify the 30-day period in which a person elected or appointed to the office of assessor must obtain a temporary appraiser's certificate from the Board of Equalization. (Housekeeping)**

Source: Legal and Investigations Department

Revenue Impact: None

**Recommendation: Adopt**

- 1-6      Repeal obsolete Sections 218.1 and 5180 of the Property Taxes Law. (Technical)**

Source: Legal and Investigations Department

Revenue Impact: None

**Recommendation: Adopt**

**Property Taxes** (continued)

- 1-7      Amend Section 480.4 of the Property Taxes Law to authorize the Board to prescribe the content and form of the preliminary change in ownership report, after consultation with the California Assessors' Association.**

Source: Honorable Chairwoman Carole Migden

Revenue Impact: None

**Recommendation: Put over to January**

- 1-8      Amend Section 830 of the Property Taxes Law to delete the penalty cap on state assessees and add Sections 750 and 828.5 to make state assessees subject to the same penalties as local assessees for making false oral or written statements related to their assessments or in seeking an assessment reduction.**

Source: Honorable Chairwoman Carole Migden

Revenue Impact: None. Penalty is intended to improve compliance.

**Recommendation: Put over to January**

- 1-9      Amend Section 830 of the Property Taxes Law to allow the Board to partially abate state assessee penalties.**

Source: Honorable Chairwoman Carole Migden and  
Honorable John Chiang

Revenue Impact: No direct impact.

**Recommendation: Put over to January**

## **BUSINESS TAXES**

### **Sales and Use Taxes**

#### **2004 Legislative Proposals**

Set forth below are suggestions for Sales and Use Taxes legislation to be sponsored by the Board in the second year of the 2003-2004 Legislative Session (see attachments). Additional suggestions will be included on the agenda for January 2004.

#### **Suggestion Number**

- 3-1**      **Amend Section 7093.8 of the Sales and Use Tax Law to reauthorize the Board to waive any penalties and interest on unpaid sales and use taxes owed by eligible taxpayers to the extent that the underlying tax liability is paid.**

Source: Honorable Claude Parrish

Revenue Impact: Approximately \$500,000 per year revenue increase.

**Recommendation: Put over to January**

- 3-2**      **Add Section 6458 to the Sales and Use Tax Law to provide a 1 percent discount for the timely and accurate filing of sales and use tax returns by new permittees.**

Source: Honorable Claude Parrish

Revenue Impact: \$120,000 revenue loss over two fiscal years.

**Recommendation: Put over to January**

- 3-3**      **Add Sections 6511.1, 7213, and 7268 to, and amend Section 6592 of, the Revenue and Taxation Code to allow the Board to assess a penalty when a taxpayer fails to furnish the required local tax and special taxing district tax return schedules at the time a sales and use tax return is filed.**

Source: Sales and Use Tax Department

Revenue Impact: None. Penalty is intended to improve compliance.

**Recommendation: Put over to January**

**Sales and Use Taxes** (continued)

**Suggestion  
Number**

- 3-4**      **Amend Section 6480.1 of the Sales and Use Tax Law to include a reference to the new state and local sales tax statutes for the computation of the sales tax prepayment on motor vehicle fuel, aircraft jet fuel, and diesel fuel. (Technical)**

Source: Legislative Section

Revenue Impact: Safeguards approximately \$269 million from potential underreporting of tax liability.

**Recommendation: Adopt**

- 3-5**      **Renumber duplicate Section 6480.3 of the Sales and Use Tax Law as Section 6480.9. (Technical)**

Source: Legislative Section

Revenue Impact: None

**Recommendation: Adopt**

## **BUSINESS TAXES**

### **Special Taxes**

#### **2004 Legislative Proposals**

Set forth below are suggestions for Special Taxes legislation to be sponsored by the Board in the second year of the 2003-2004 Legislative Session (see attachments). Additional suggestions will be included on the agenda for January 2004.

#### **Suggestion Number**

- 4-1      Amend Sections 43350, 45351, 46301, 50120.1, and 55101 of the Revenue and Taxation Code to delete obsolete section references. (Technical)**

Source: Fuel Taxes Division

Revenue Impact: None

**Recommendation: Adopt**

- 4-2      Amend Section 43152.14 of the Revenue and Taxation Code to delete the requirement to file a return for the Childhood Lead Poisoning Prevention Fee. (Technical)**

Source: Fuel Taxes Division

Revenue Impact: None

**Recommendation: Adopt**

**Special Taxes** (Continued)

**Suggestion  
Number**

- 4-3**      **Amend Section 46156 of the Oil Spill Response, Prevention, and Administration Fee Law to authorize the Board to grant relief of the penalty for failure to file an information report for the Oil Spill Response Fee. (Housekeeping)**

Source: Fuel Taxes Division

Revenue Impact: None

**Recommendation: Adopt**

- 4-4**      **Amend Sections 43201 and 55061 of the Revenue and Taxation Code to make it clear that when the Board collects a tax or fee assessed by another state agency, that it is appropriate for the Board to issue a notice of determination as the billing mechanism. (Housekeeping)**

Source: Legal and Investigations Department

Revenue Impact: None

**Recommendation: Adopt**

## **ADMINISTRATION**

### **2004 Legislative Proposals**

Set forth below are suggestions for Administration legislation to be sponsored by the Board in the second year of the 2003-2004 Legislative Session (see attachments). Additional suggestions will be included on the agenda for January 2004.

#### **Suggestion Number**

- 5-1      Amend Section 15609 of the Government Code to require the Members of the Board to meet at least 12 times a year, instead of monthly, in Sacramento and other locations in the state.**

Source: Honorable Chairwoman Carole Migden and  
Honorable Bill Leonard

Revenue Impact: None

**Recommendation: Put over to January**

Approved: \_\_\_\_\_  
Carole Migden, Chairwoman

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Timothy E. Boyer,  
Interim Executive Director

BOARD APPROVED

at the \_\_\_\_\_ Board Meeting

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Deborah Pellegrini, Chief  
Board Proceedings Division